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## **BODMAN COMMITS TO BPA BUDGET TALKS**

**Craig secures commitment to discuss rule change before administration proceeds**

WASHINGTON, D.C. – During a hearing today by the Senate Committee on Energy and Natural Resources, Idaho Senator Larry Craig teamed with Senator Gordon Smith (R-Ore.) to secure a commitment from Secretary of Energy Samuel Bodman to discuss a proposed administrative rule change with the Bonneville Power Administration (BPA) and members of the Northwest Congressional Delegation, before moving forward with the change.

The President's budget proposal for FY 2007 includes a plan to change, through issuance of a new administrative ruling, the way BPA retires its debt to the federal treasury. The plan would require BPA to use excess revenues to retire long-term debt more quickly. Because the change would be made through the rulemaking process, congressional approval would not be needed for the rule to go into effect. Analysts believe the proposed rule would result in a 10 percent rate increase that BPA would be forced to pass on to ratepayers.

**“Very few people in this city understand and appreciate the interrelated systems of the Pacific Northwest, as it relates to hydro and Bonneville,” Craig said. “There are all types of outside stresses on the system that create uncertainty, and because we are able to sell surplus power when we have it, we can minimize the risks of low water years or other shocks to the system. Mr. Secretary, why don’t you sit down with us and see if we can’t address some of what you’ve proposed, without damaging or strangling that very productive system?”**

Bodman agreed to work with the Northwest delegation and BPA, noting that the rule change is simply a proposal at this point, and that he would be willing to work through “a model that would satisfy all parties.”

The announcement of the plan was scheduled to be published today in the Federal Register. However, Bodman promised today to hold off on that action until he could work with Senator Craig, BPA, and other members of the Northwest delegation.

**NOTE:** Audio from the hearing is available at <http://craig.senate.gov/clips/pr020906a-2.mp3>.